

3. Additional Benefits and Services

As you move through your education career in California, you may wish to take advantage of some of the additional programs and services CalSTRS offers.

If you wish to know more about CalSTRS programs and benefits, you can visit the CalSTRS Web site at www.calstrs.com or make an appointment with a CalSTRS benefits counselor (formerly regional counselor.)

Financial Education

Financial Education workshops are designed especially for CalSTRS members. The educational workshops prepare members 10 or more years from retirement to make informed financial decisions with confidence.

Workshop speakers present information on CalSTRS pension benefits, on Social Security provisions that apply to CalSTRS members and on how to develop personal financial plans to meet individual goals.

To obtain information or to sign up for a workshop, call the special Financial Education toll-free number at 888-394-2060. Workshop registration is also available online at www.calstrs.com. Select *Financial Education*.

Redeposits

If you return to teaching or other CalSTRS-covered employment or become eligible for retirement with another public system in California you may elect to redeposit past Defined Benefit Program refunds plus regular interest. (See page 18 for a list of other California public systems.) The longer the elapsed time between refund and redeposit, the higher the redeposit amount will be. Redepositing allows you to reinstate the service credit represented by the refunded contributions.

You may not redeposit refunded Defined Benefit Supplement contributions and interest.

Before you are eligible for benefits from CalSTRS, you must have earned at least one year of service credit after you received the most recent refund of accumulated retirement contributions, unless you are retiring concurrently with another California public system.

A member may choose to redeposit a portion, rather than all, of a refund, along with applicable interest.

Redepositing does not re-establish your earlier membership date or benefits that may have been available to you before you refunded.

In some community property settlements, a member's contributions and interest are divided to create a separate account for the former spouse. If the former spouse takes a refund of his or her account, the member can then choose to redeposit all or a portion of the amount awarded to the former spouse.

Amount to Redeposit

The amount you need to redeposit and the benefits from reinstatement of service credit will vary, depending upon your individual situation.

For example, a teacher who withdrew \$10,000 (representing three years of service) in May 1993 and wants to reinstate those years of credit in May 2004, would be required to redeposit \$20,772.

If you are considering a redeposit, order the *Purchase Additional Service Credit* brochure from www.calstrs.com or call CalSTRS at 800-228-5453.

Purchase Additional Service Credit

Members should evaluate the benefits of purchasing additional service credit by comparing its cost with the increase it would provide in their lifetime retirement income.

Permissive Service Credit

You may elect to purchase service credit for retirement purposes for specific service performed in the past, if it has not been previously credited. This type of permissive service includes, but is not limited to:

- creditable service prior to becoming a DB Program member
- sabbatical leave
- certain active military leave
- University of California or State University service
- maternity/paternity leave or family care and medical leave
- School for the Blind or Deaf
- out-of-state public school teaching (up to 10 years)

Members may purchase a portion, rather than all, of any permissive service they have earned.

Service credit cannot be purchased if you have received, or are eligible to receive, credit for the service in another public retirement system. If you are planning to purchase additional service credit just before retirement, you must complete payment before the effective date of your retirement.

The cost for permissive service credit depends on your age and your highest annual earnable salary during the last three years.

To estimate the cost to purchase permissive service credit, visit www.calstrs.com and click on *Calculators* or manually calculate your cost:

1. Multiply the number of years you want to purchase by the contribution rate for your age group.
2. Multiply the result by your highest earnable salary during the last three years.

Age Group	Contribution Rate Until 6/30/05
20 - 29	17.9%
30 - 39	18.2%
40 - 49	20.4%
50 - 59	24.5%
60 - 69	27.9%
70 and over	23.4%

Example at age 45:

Years to Purchase		Contribution Rate		Highest Annual Salary		Your Cost
2	x	20.4%	x	\$50,000	=	\$20,400

Nonqualified Service Credit

Members with at least five years of credited CalSTRS service may purchase up to five years of service credit for nonqualified service, also known as “air time.” Nonqualified service is service that is not connected to any specific prior employment.

Nonqualified service credit cannot be used to qualify for the career factor, longevity bonus or the 25-year threshold for one-year final compensation. However, nonqualified service credit can be used to qualify for service retirement between ages 50 and 55. The purchase of nonqualified service credit is calculated differently from the purchase of other service. To estimate the cost of nonqualified service, visit www.calstrs.com and click *Calculators*. The cost to purchase nonqualified service credit will increase the closer the member is to retirement and the higher the earnable salary.

For more information about additional service credit purchase or to request a billing statement, call CalSTRS Teletalk at 800-228-5453. Select message #250 for purchasing credit for service performed in California, message #254 for out-of-state service credit purchase and message #255 for nonqualified service credit purchase. You may also visit www.calstrs.com or call 800-228-5453 and select 2 to order the *Purchase Additional Service Credit* brochure.

CalSTRS Voluntary Investment Program

An important component to maintaining your current standard of living after retirement is to set aside funds while you are working to supplement your CalSTRS pension. The Voluntary Investment Program offers any school employee the opportunity to invest these additional funds on a tax-deferred basis for a secure financial future.

As a 403(b) savings program, the Voluntary Investment Program allows you to automatically save a pre-taxed portion of your salary and invest it in your choice of 12 different investment funds or manage it yourself through a self-managed account.

New Features

- *More investment flexibility than ever before*—with twelve investment options, all chosen to offer a well-diversified selection of funds and includes such well-known fund families as Vanguard, Fidelity and Dodge & Cox
- *Free, personal financial advice*—online at www.calstrs.com or from qualified professionals toll-free at 800-699-4032.
- *Enhanced online trading*—including the self-managed account, called the Mutual Fund Window, with its 4,000 mutual funds from more than 300 fund families
- *Greater ease of borrowing from your account*—for those unexpected financial emergencies that come along
- *Low administrative costs*—passed on to plan participants
- *Knowledgeable and responsive services reps*—by calling 800-699-4032
- *Great savings opportunities from CalSTRS*—your trusted retirement benefit provider
- Beginning in the summer of 2004, you will be able to compare different 403(b) plans online at www.403bcompare.com.

Valuable Advice Available

The most popular feature of the Voluntary Investment Program is the enhanced advice service available online or by telephone. The advisor service is designed for VIP participants who need or want personalized savings and investment advice. Provided by CalSTRS, advice is available from trained and licensed financial advisors through CitiStreet Advisor Service, powered by Financial Engines.

The advisor service will allow you to:

- build a personalized profile of your financial resources and retirement goals
- understand the likelihood of reaching your goals with your current savings and investment strategy
- design a personalized saving and investment plan to better meet your goals

You will also benefit from free initial and ongoing consultations, expert and unbiased retirement planning advice and automatic investment rebalancing. In addition, this feature offers quarterly summaries of progress toward your retirement goals.

To Enroll

1. Call the information line at 800-699-4032 to request an enrollment kit or order it online at the VIP section of www.calstrs.com
2. Review the information and choose how much you want to contribute and your investment options
3. Complete a salary reduction agreement form available in the enrollment kit or online (your school district may need additional information) and complete a beneficiary form
4. Mail the forms to the VIP administrator (address on the forms)

If your employer does not offer the CalSTRS Voluntary Investment Program, please contact CalSTRS at 800-228-5453 or click the *Contact CalSTRS* link at www.calstrs.com.

Rollovers to VIP

In addition to payroll deductions, you can roll over an existing balance from other qualified retirement plans, such as 403(b) plans and governmental 457 plans. You may also roll over all or a portion of the amount in an IRA, provided that the entire balance in the IRA is attributable to a prior rollover from a qualified pension, profit sharing, 401(k) or stock bonus plan.

CalSTRS members who are no longer employed in CalSTRS-covered employment can still roll over an existing balance from qualified plans into CalSTRS VIP, but they cannot contribute additional funds until they resume CalSTRS-covered employment. CalSTRS retired members are also eligible to participate in the program by transferring funds from their qualified savings plan to the VIP.

CalSTRS Home Loan Program

The CalSTRS Home Loan Program is open to active, inactive and retired CalSTRS members and Cash Balance Benefit Program participants. They can apply for conventional, fixed-rate, first mortgage loans for the purchase or refinance of their one-to four-family owner-occupied properties in California. The program provides loans to members while serving as a prudent investment of CalSTRS retirement funds.

Features include:

- a host of statewide lenders to choose from
- 45-day rate float down if interest rates fall
- controlled origination fees charged by lenders

There are several financing options available:

- Conventional Loan Program
- Zero Down Preferred (95%/5%) Program
- 80%/17% Down Payment Assistance Program

For more information on the Home Loan Program, click *Members* on the CalSTRS Web site at www.calstrs.com or call toll free at 866-384-4457.

Long-Term Care Coverage

The California Public Employees' Retirement System offers a long-term care program to members of other public retirement systems, including CalSTRS. Those eligible to participate include CalSTRS active and retired members and Cash Balance Benefit Program participants, as well as their spouses, parents, parents-in-law, and siblings age 18 or older. This program provides personal care that some may need as a result of suffering an accident, a chronic illness or a disabling disease like Alzheimer's. The Long-Term Care program provides high-quality care and comprehensive coverage at a reasonable cost.

Call CalPERS Long-Term Care directly at 800-338-2244 for information and an enrollment kit. Long-Term Care information can also be obtained from the CalPERS Web site at www.calpers.ca.gov. You can also order this information from CalSTRS at www.calstrs.com.